

# MAINE STATE LEGISLATURE

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# 131st MAINE LEGISLATURE

## FIRST REGULAR SESSION-2023

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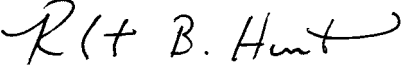
House of Representatives, January 26, 2023

### An Act to Make Technical Changes to the Maine Tax Laws

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Submitted by the Department of Administrative and Financial Services pursuant to Joint Rule 204.

Reference to the Committee on Taxation suggested and ordered printed.

  
ROBERT B. HUNT  
Clerk

Presented by Representative MATLACK of St. George.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **PART A**

3 **Sec. A-1. 36 MRSA §191, sub-§2, ¶C**, as amended by PL 2017, c. 170, Pt. A, §1,  
4 is further amended to read:

5 C. The inspection by the Attorney General of information filed by any taxpayer who  
6 has requested review of any tax under this Title or against whom an action or  
7 proceeding for collection of tax has been instituted; or the production in court or to the  
8 board or the State Board of Property Tax Review as established by Title 5, section  
9 12004-B, subsection 6 on behalf of the State Tax Assessor, or any other party to an  
10 action or proceeding under this Title, of so much and no more of the information as is  
11 pertinent to the action or proceeding;

12 **Sec. A-2. 36 MRSA §191, sub-§2, ¶XX**, as amended by PL 2015, c. 300, Pt. A,  
13 §6 and c. 344, §6, is further amended to read:

14 XX. The disclosure of information by the assessor to the board or the State Board of  
15 Property Tax Review as established by Title 5, section 12004-B, subsection 6, except  
16 that such disclosure is limited to information that is pertinent to an appeal or other  
17 action or proceeding before the board or the State Board of Property Tax Review;

18 **Sec. A-3. 36 MRSA §191, sub-§2, ¶YY**, as amended by PL 2015, c. 490, §2 and  
19 c. 494, Pt. A, §41, is further amended to read:

20 YY. The inspection and disclosure of information by the board, or by the State Board  
21 of Property Tax Review as established by Title 5, section 12004-B, subsection 6, to the  
22 extent necessary to conduct appeals procedures pursuant to this Title and issue a  
23 decision on an appeal to the parties. The board and the State Board of Property Tax  
24 Review may make available to the public redacted decisions that do not disclose the  
25 identity of a taxpayer or any information made confidential by state or federal statute;

26 **Sec. A-4. 36 MRSA §208-A, sub-§2, ¶C**, as amended by PL 2015, c. 236, §1, is  
27 further amended to read:

28 C. The municipality's equalized full value tax rate of residential property following  
29 adjusted for the sudden and severe disruption in municipal valuation exceeds the most  
30 recent state statewide average of residential property for which data is available.

31 **Sec. A-5. 36 MRSA §331**, as enacted by PL 1985, c. 764, §10, is amended to read:

32 **§331. Assessment manual**

33 The State Tax Assessor shall maintain and periodically update a State state assessment  
34 manual by rule, in accordance with the Maine Administrative Procedure Act, Title 5,  
35 chapter 375, which shall identify that identifies accepted and preferred methods of  
36 assessing property.

37 Any municipality performing or contracting for the performance of a revaluation after  
38 January 1, 1987, shall use or require the use of the State state assessment manual or another  
39 professionally accepted manual or procedure.

40 **Sec. A-6. 36 MRSA §652, sub-§1, ¶G**, as amended by PL 2007, c. 627, §20, is  
41 further amended to read:

1 G. Houses of religious worship, including vestries, and the pews and furniture within  
2 them; tombs and rights of burial; and property owned and used by a religious society  
3 as a parsonage up to the just value of \$20,000, and personal property not exceeding  
4 \$6,000 in just value are exempt from taxation, except that any portion of a parsonage  
5 that is rented is subject to taxation. For purposes of this paragraph, "parsonage" means  
6 the principal residence provided by a religious society for its cleric whether or not the  
7 principal residence is located within the same municipality as the house of religious  
8 worship where the cleric regularly conducts religious services.

9 **Sec. A-7. 36 MRSA §653, sub-§1, ¶E**, as amended by PL 2017, c. 170, Pt. B, §6,  
10 is further amended to read:

11 E. The word "veteran" as used in this subsection means ~~any person, male or female,~~  
12 an individual who was on active duty in the Armed Forces of the United States and  
13 who, if discharged, retired or separated from the Armed Forces, was discharged, retired  
14 or separated under other than dishonorable conditions.

15 **Sec. A-8. 36 MRSA §653, sub-§1, ¶J**, as amended by PL 1989, c. 501, Pt. Z, is  
16 further amended to read:

17 J. ~~No person may be~~ An individual is not entitled to property tax exemption under  
18 more than one paragraph of this subsection.

19 **Sec. A-9. 36 MRSA §653, sub-§2, ¶B**, as enacted by PL 2007, c. 418, §1, is  
20 amended to read:

21 B. "Qualifying shareholder" means ~~a person~~ an individual who is a shareholder in a  
22 cooperative housing corporation who would qualify for an exemption under subsection  
23 1 if the ~~person~~ individual were the owner of the property.

24 **Sec. A-10. 36 MRSA §4641-C, sub-§15**, as amended by PL 1993, c. 647, §2 and  
25 c. 718, Pt. B, §10, is further amended to read:

26 **15. Deeds to a trustee, nominee or straw party.** Any deeds:

27 A. To a trustee, nominee or straw party for the grantor as beneficial owner;

28 B. ~~For~~ To a trustee, nominee or straw party for the beneficial ownership of a person  
29 other than the grantor when, if that person were the grantee, no a tax would not be  
30 imposed upon the conveyance pursuant to this chapter; or

31 C. From a trustee, nominee or straw party to the beneficial owner;

32 **Sec. A-11. 36 MRSA §6251, sub-§1, ¶B**, as amended by PL 2021, c. 483, Pt. AA,  
33 §6, is further amended to read:

34 B. The taxpayer, if the sole owner of the property, has income, as defined in section  
35 5219-KK, subsection 1, paragraph D, of less than \$40,000 for the calendar year  
36 immediately preceding the calendar year in which the claim is filed. In the case of  
37 property that is owned by more than one owner, all owners together have income, as  
38 defined in section 5219-KK, subsection 1, paragraph D, of less than \$40,000 for the  
39 calendar year immediately preceding the calendar year in which the claim is filed;

40 **Sec. A-12. 36 MRSA §6251, sub-§1, ¶C**, as enacted by PL 2021, c. 483, Pt. AA,  
41 §6, is amended to read:

1 C. The taxpayer, if ~~an individual~~ the sole owner of the property, has liquid assets of  
2 less than \$50,000. ~~or, in the case of 2 or more individuals filing a claim jointly~~  
3 property that is owned by more than one owner, all the ~~individuals~~ owners together  
4 have liquid assets of less than \$75,000; and

5 **Sec. A-13. 36 MRSA §6271, sub-§1, ¶C**, as enacted by PL 2009, c. 489, §5, is  
6 amended to read:

7 C. "Household income" ~~has the meaning set out in section 6201, subsection 7~~ means  
8 all income received by all persons of a household in a calendar year while members of  
9 the household. For the purposes of this paragraph, "household" means a claimant and  
10 spouse and all other individuals for whom the claimant under this chapter is entitled to  
11 claim a credit as a dependent or qualifying child under section 5219-SS for the year for  
12 which relief is requested.

## 13 PART B

14 **Sec. B-1. 36 MRSA §151, sub-§1**, as repealed and replaced by PL 2011, c. 694,  
15 §3, is amended to read:

16 **1. Petition for reconsideration.** A person who is subject to an assessment by the  
17 State Tax Assessor or entitled by law to receive notice of a determination of the assessor  
18 and who is aggrieved as a result of that action may request in writing, within 60 days after  
19 receipt of notice of the assessment or the determination, reconsideration by the assessor of  
20 the assessment or the determination. If a person receives notice of an assessment or a  
21 determination and does not file a petition for reconsideration within the specified time  
22 period, a review is not available in Superior Court or before the board regardless of whether  
23 the taxpayer subsequently makes payment and requests a refund.

24 **Sec. B-2. 36 MRSA §5122, sub-§1, ¶X**, as amended by PL 2017, c. 474, Pt. C,  
25 §1, is repealed.

26 **Sec. B-3. 36 MRSA §5122, sub-§1, ¶BB**, as enacted by PL 2009, c. 213, Pt.  
27 BBBB, §4 and affected by §17, is repealed.

28 **Sec. B-4. 36 MRSA §5122, sub-§1, ¶CC**, as amended by PL 2011, c. 90, Pt. H,  
29 §1 and affected by §8, is repealed.

30 **Sec. B-5. 36 MRSA §5122, sub-§2, ¶G**, as amended by PL 1999, c. 521, Pt. C, §3  
31 and affected by §9, is repealed.

32 **Sec. B-6. 36 MRSA §5122, sub-§2, ¶DD**, as corrected by RR 2009, c. 2, §110, is  
33 repealed.

34 **Sec. B-7. 36 MRSA §5122, sub-§2, ¶GG**, as amended by PL 2011, c. 380, Pt. O,  
35 §6, is repealed.

36 **Sec. B-8. 36 MRSA §5200-A, sub-§1, ¶S**, as amended by PL 2017, c. 474, Pt. C,  
37 §5, is repealed.

38 **Sec. B-9. 36 MRSA §5200-A, sub-§1, ¶W**, as amended by PL 2011, c. 380, Pt.  
39 O, §11, is repealed.

40 **Sec. B-10. 36 MRSA §5200-A, sub-§2, ¶U**, as amended by PL 2011, c. 644, §23,  
41 is repealed.

1           **Sec. B-11. 36 MRSA §5219-K, sub-§3**, as amended by PL 2007, c. 627, §92, is  
2 further amended to read:

3           **3. Limitation on credit allowed.** The credit allowed under this section is limited to  
4 100% of a corporation's first \$25,000 of tax due, as determined before the allowance of any  
5 credits, plus 75% of the corporation's tax due, as determined in excess of \$25,000. The  
6 assessor ~~shall~~ may adopt rules similar to those authorized under the Code, Section  
7 ~~38(c)(5)(B) for purposes of apportioning the \$25,000 among members of a controlled group~~  
8 38(c)(6)(B).

9           **Sec. B-12. 36 MRSA §5219-K, sub-§6**, as enacted by PL 1995, c. 368, Pt. GGG,  
10 §7, is amended to read:

11           **6. Additional rules.** The State Tax Assessor ~~shall~~ may adopt such rules as are  
12 necessary to implement this section.

13           **Sec. B-13. 36 MRSA §5219-KK, sub-§1, ¶A-1**, as amended by PL 2021, c. 483,  
14 Pt. AA, §1, is further amended to read:

15           A-1. For tax years beginning on or after January 1, 2018, "benefit base" means property  
16 taxes paid by a resident individual or the bureau pursuant to chapter 908 on behalf of  
17 the resident individual during the tax year on the resident individual's homestead in this  
18 State or rent constituting property taxes paid by the resident individual ~~or the bureau~~  
19 ~~pursuant to chapter 908 on behalf of a resident individual~~ during the tax year on a  
20 homestead in the State not exceeding the following amounts:

- 21                   (1) For persons filing as single individuals, \$2,050;
- 22                   (2) For persons filing as heads of households that can claim the federal child tax  
23 credit pursuant to the Code, Section 24 for no more than one qualifying child or  
24 dependent or for persons filing joint returns, \$2,650; and
- 25                   (3) For persons filing as heads of households that can claim the federal child tax  
26 credit pursuant to the Code, Section 24 for more than one qualifying child or  
27 dependent or for persons filing joint returns that can claim the federal child tax  
28 credit pursuant to the Code, Section 24 for at least one qualifying child or  
29 dependent, \$3,250.

30           **Sec. B-14. 36 MRSA §5219-KK, sub-§2-E**, as enacted by PL 2021, c. 703, §1, is  
31 amended to read:

32           **2-E. Permanently and totally disabled veterans; additional credit.** For tax years  
33 beginning on or after January 1, 2023, in addition to the credit under subsection 2-D, a  
34 resident individual who is a veteran who is 100% permanently and totally disabled is  
35 allowed an additional credit against the taxes imposed under this Part in an amount equal  
36 to the amount calculated under subsection 2-D. The combined credit under subsection 2-D  
37 and this subsection may not exceed the property taxes paid by the resident individual or the  
38 bureau pursuant to chapter 908 on behalf of the resident individual during the tax year on  
39 the resident individual's homestead in this State and rent constituting property taxes paid  
40 by the resident individual during the tax year on a homestead in the State, combined. In  
41 the case of married individuals filing a joint return, only one spouse is required to be a  
42 veteran who is 100% permanently and totally disabled to qualify for the additional credit  
43 allowed under this subsection. For the purposes of this subsection, "100% permanently

1 and totally disabled" means having a rating by the United States Department of Veterans  
2 Affairs at 100% for one or more service-connected disabilities that are rated permanent and  
3 "veteran" has the same meaning as in section 653, subsection 1, paragraph E.

#### 4 PART C

5 **Sec. C-1. 23 MRSA §4210-B, sub-§7-A**, as amended by PL 2021, c. 630, Pt. D,  
6 §1, is further amended to read:

7 **7-A. Sales tax revenue.** On July 1st of each year, the State Controller shall transfer  
8 to the Multimodal Transportation Fund an amount, as certified by the State Tax Assessor,  
9 that is equivalent to 100% of the revenue from the tax imposed on the value of rental of a  
10 pickup truck or van with a gross weight of less than 26,000 pounds rented from a person  
11 primarily engaged in the business of renting automobiles and the value of rental for a period  
12 of less than one year of an automobile pursuant to Title 36, section 1811 for the first 6  
13 months of the prior fiscal year after the reduction for the transfer to the Local Government  
14 Fund as described by Title 30-A, section 5681, subsection 5 and the transfer to the ATV  
15 Recreational Management Fund pursuant to Title 36, section 1820. On October 1st of each  
16 year, the State Controller shall transfer to the Multimodal Transportation Fund an amount,  
17 as certified by the State Tax Assessor, that is equivalent to 100% of the revenue from the  
18 tax imposed on the value of rental of a pickup truck or van with a gross weight of less than  
19 26,000 pounds rented from a person primarily engaged in the business of renting  
20 automobiles and the value of rental for a period of less than one year of an automobile  
21 pursuant to Title 36, section 1811 for the last 6 months of the prior fiscal year after the  
22 reduction for the transfer to the Local Government Fund as described by Title 30-A, section  
23 5681, subsection 5 and the transfer to the ATV Recreational Management Fund pursuant  
24 to Title 36, section 1820. The tax amount must be based on actual sales for that fiscal year  
25 and may not consider any accruals that may be required by law.

26 **Sec. C-2. 36 MRSA §191, sub-§2, ¶H**, as repealed and replaced by PL 1981, c.  
27 698, §176, is amended to read:

28 H. The disclosure by the State Tax Assessor of the fact that a person is or is not  
29 registered under this Title or disclosure of both the fact that a registration under this  
30 Title has been revoked and the reasons for revocation. The exemption under this  
31 paragraph is limited to the disclosure of information applicable to the previous 6 years;

32 **Sec. C-3. 36 MRSA §191, sub-§2, ¶EE**, as amended by PL 2019, c. 401, Pt. B,  
33 §1, is further amended to read:

34 EE. The disclosure by the State Tax Assessor of the fact that a person has or has not  
35 been issued a certificate of exemption pursuant to section 1760, 2013 or 2557; or a  
36 resale certificate pursuant to section 1754-B, subsection 2-B or 2-C. The exemption  
37 under this paragraph is limited to the disclosure of information applicable to the  
38 previous 6 years;

#### 39 SUMMARY

40 Part A makes changes to the property tax law. Part A:

41 1. Allows disclosure of confidential information to the State Board of Property Tax  
42 Review;

- 1           2. Clarifies that a municipality's equalized tax rate of residential property is the  
2 equalized full value tax rate when calculating qualification for sudden and severe disruption  
3 assistance;
- 4           3. Removes the requirement that updates to the property tax assessment manual be  
5 made by the State Tax Assessor by rule;
- 6           4. Clarifies that the fixed-dollar parsonage and personal property exemptions for  
7 houses of religious worship are based on just value;
- 8           5. Clarifies that only individuals qualify for certain property tax exemptions for  
9 veterans and removes gender-specific terms in those provisions;
- 10          6. Facilitates the repeal of the Circuitbreaker Program, which has expired, by moving  
11 definitions from that program to current provisions;
- 12          7. Clarifies that the income and asset limitations of the state property tax deferral  
13 program apply to all owners of the property; and
- 14          8. Makes other technical and grammatical changes to improve the clarity of property  
15 tax provisions.
- 16          Part B makes changes to the income tax law. Part B:
- 17          1. Clarifies that a petition for reconsideration related to a determination issued by  
18 Maine Revenue Services must be filed within the specified time period with Maine  
19 Revenue Services in order to be available for review in Superior Court or by the Maine  
20 Board of Tax Appeals;
- 21          2. Repeals the Maine income modifications related to the expired federal domestic  
22 production activities deduction;
- 23          3. Repeals the Maine income modification for the expired federal unemployment  
24 compensation deduction;
- 25          4. Repeals the Maine income modification for the expired federal deferral of income  
26 from discharge of indebtedness;
- 27          5. Repeals the expired Maine income modification for insurance premiums for long-  
28 term care insurance;
- 29          6. Repeals the expired Maine income modification for federal recovery amounts  
30 included in federal adjusted gross income;
- 31          7. Clarifies Maine Revenue Services' rule-making authority regarding the Maine  
32 research expense income tax credit by correcting an erroneous reference to the federal  
33 Internal Revenue Code of 1986, removing unnecessary and confusing language and making  
34 the rule-making requirement discretionary;
- 35          8. Clarifies that the benefit base under the property tax fairness credit includes property  
36 tax payments, and not payments of rent constituting property taxes, under the State's  
37 property tax deferral program; and
- 38          9. Provides that the additional credit for permanently and totally disabled veterans  
39 under the property tax fairness credit is limited to the total taxes paid by the taxpayer and  
40 by the State on behalf of the taxpayer pursuant to the property tax deferral program, if any.
- 41



- 1           Part C makes changes to provisions regarding the sales tax. Part C:
- 2           1. Removes the word “pickup” from the phrase “pickup trucks” in the Multimodal
- 3           Transportation Fund transfer to align with the removal of the word in the corresponding
- 4           sales tax provisions by Public Law 2021, chapter 578; and
- 5           2. Clarifies the confidentiality exemption for disclosing registration, revocation of
- 6           registration or exemption certificate information by providing that the allowable disclosure
- 7           is limited to the disclosure of information applicable to the previous 6 years.